

## WEF IBC index 2021

## Key

AR: Annual Report  
 ISD: Integrated sustainability disclosure  
 SR: Sustainability Report

## Impact area



Environmental  
 impact



Social  
 impact



Governance  
 impact

The Measuring Stakeholder Capitalism Initiative was launched at the request of the World Economic Forum's International Business Council (WEF IBC). It seeks to improve the ways in which companies measure and demonstrate their performance against environmental, social and governance (ESG) indicators and track their positive contributions towards achieving the Sustainable Development Goals on a consistent basis. We have used references to the WEF IBC as an index below to help our investors find information relevant to them throughout our public disclosures, without adhering to the standards listed in the index in its entirety. This index lists Zurich's reports and web pages and their reference to the following 21 core metrics of the WEF IBC standards.

Note: Zurich Insurance Group has no ownership interest in the Farmers Exchanges, which are therefore excluded from the scope of reporting for the below standards. Farmers Group, Inc., a wholly-owned subsidiary of the Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.

ESG	Indicator	Reference	Disclosure
	<b>Governing purpose</b>	<b>Setting purpose</b>	AR 125 section 2.1 of the ISD: Our purpose
	<b>Quality of governance body</b>	<b>Governance body composition</b>	AR 50 to 59 of the Governance report: Board of directors AR 132 to 133 section 3 of the ISD: Governance: Sustainability is embedded in our governance
	<b>Stakeholder engagement</b>	<b>Material issues to stakeholders</b>	AR 126 to 127 section 2.2.1 of the ISD: Assessing materiality <a href="http://www.zurich.com/en/sustainability/strategy">www.zurich.com/en/sustainability/strategy</a>
	<b>Ethical behaviour</b>	<b>Anti-corruption</b>	<p><b>Total percentage of governance body members, employees and business partners who have received training</b> AR 177 section 6.4.2 of the ISD: Training and awareness (on anti-bribery and anti-corruption)</p> <p><b>Total number and nature of incidents of corruption confirmed</b> Any material legal proceedings or government investigations involving Zurich Insurance Group Ltd and its subsidiaries, including any such proceeding or investigation arising from a breach of the Code of Conduct or the Group Policy ABC, would be disclosed in the Group's Annual Report. For the latest such disclosures, see AR 307 to 308, note 22: Commitments and contingencies, legal proceedings and regulatory investigations.</p> <p><b>Discussion of initiatives to combat corruption</b> AR 177 section 6.4 of the ISD: Prevention of bribery and corruption</p> <p><b>Protected ethics advice</b> <b>Seeking advice about ethical and lawful behavior and organizational integrity</b> AR 177 section 6.4.3 of the ISD: Protected advice</p> <p><b>Reporting on concerns</b> AR 177 section 6.4.3 of the ISD: Protected advice</p>
	<b>Risks and opportunities oversight</b>	<b>Integrating risk and opportunity into business process</b>	AR 128 to 129 section 2.2.2 of the ISD: Managing risks and opportunities AR 140 to 142 section 4.1.2 of the ISD: Climate-related risks AR 142 to 152 section 4.1.3 of the ISD: Climate risk assessment 2021 AR 187 to 215 of the Risk review
	<b>Climate change</b>	<b>Greenhouse gas emissions</b>	AR 166 section 4.4.2 of the ISD: Our performance metrics
		<b>TCFD implementation</b>	AR 134 to 166 section 4 of the ISD: Our planet: Drive positive impact
	<b>Nature loss</b>	<b>Land use and ecological sensitivity</b>	Not applicable.

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ESG	Indicator	Reference	Disclosure
	<b>Freshwater availabilities</b>	<b>Water consumption and withdrawal in water-stressed areas</b>	Not applicable.
	<b>Dignity and equality</b>	<b>Diversity and inclusion</b>	AR 176 section 6.3 of the ISD: An integrated and systematic approach to diversity, equity, inclusion and belonging (DEIB)
		<b>Pay equality</b>	AR 176 section 6.3 of the ISD: An integrated and systematic approach to diversity, equity, inclusion and belonging (DEIB)
		<b>Wage level</b>	<p><b>Ratios of standard entry level wage by gender compared to local minimum wage</b></p> <p>Zurich benchmarks jobs on all levels regularly and strives to provide competitive compensation across the Group within established pay ranges. In countries where there is a minimum wage requirement, defined by national law, insurance labor law or collective agreements, all employees are paid at or above the minimum wage requirements.</p> <p><b>Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees</b></p> <p>The elements and level of remuneration for all of Zurich's employees reflect factors such as the scope and complexity of the role, level of responsibility, risk exposure, business performance and affordability. Individual performance, professional experience, internal relativities, external competitiveness, geographic location and legal requirements are also considered. Zurich provides detailed information on the Group CEO pay plus other relevant information on the pay to our employees to enable an assessment on Zurich's pay approach in the context of the performance for the year.</p>
	<b>Risk for incidents of child, forced or compulsory labor</b>	<b>Risk presented in our supply chain</b>	<p>AR 129 section 2.3.2 of the ISD: Sustainable sourcing</p> <p>As a signatory of the United Nations Global Compact, we are dedicated to respecting human rights, and operate high labor standards. As part of this objective, we mitigate the risks of child, forced and compulsory labor in our supply chain in two ways.</p> <p>First, we use our supplier code of conduct (SCOC), which sets out a clear expectation that suppliers respect human rights and operate labor standards that prohibit the use of child, forced or compulsory labor. Our SCOC is in line with the relevant Principles of the UN Global Compact and the eight International Labor Organization (ILO) conventions considered fundamental to the rights of human beings at work.</p> <p>Second, we have established internal guidelines in relation to risk-based supplier due diligence. For example, under these guidelines, the due diligence carried out by our procurement and vendor management teams includes checks in relation to potential for child and forced labor where the overall risk profile of a supplier engagement is considered medium or high based on our proprietary risk assessment methodology. In the UK and Australia, we have gone further and mapped our entire supply chain against child, forced and compulsory labor risks, and published the results externally in compliance to local legislation. Our plan is to implement new processes that are consistent minimum standards applied across the Group as part of the Third-Party Governance Framework (TPGF). This will enable us in the future to identify, mitigate and manage any significant risks for incidents of child, forced or compulsory labor, across our supply chain.</p> <p><b>Risk presented in our own operations</b></p> <p>For more information on our internal take on human rights, see page 25 of our Group <a href="#">Code of Conduct</a><sup>1</sup></p>

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ESG



Indicator

Health and well-being

Reference

Health and safety

Disclosure

The number and rate of fatalities as a result of work-related injury<sup>2</sup>

Table 1: # and rate of fatalities resulting from work-related injury

		Group total
Number of fatalities as a result of a work-related injury		0
Number of high-consequence work-related injuries (excluding fatalities)		1
Number of recordable work-related injuries		84
Number of work-related injuries by type	Fractures	15
	Dislocations	1
	Sprains and strains	31
	Concussions and other internal injuries	2
	Other wounds (lacerations, cuts etc)	6
	Superficial injuries (abrasions, scratches etc)	5
	Contusions and crushings	5
	Burns	1
	Asphyxia	1
	Multiple injuries of different nature	6
	Other and unspecific injuries	11
Annual working hours		108'953'633
Rate of fatalities (per 200K hours worked)		0
Rate of high consequence injuries (per 200K hours worked)		0
Rate of recordable injuries (per 200K hours worked)		0.15

Our Group result for recordable injuries per 200K hours worked is very low. Benchmarking this data is difficult due to variances in collection and reporting of statistics at national level. The U.S. regulator (OSHA) reports the 2019 rate of recordable injuries for the Finance and Insurance sector at 0.5, so our Group rate of 0.14 is well below this.

**Description of non-occupational medical and healthcare services**

We provide healthcare benefits in accordance with local legislation and market practice in each location where we operate. This necessarily differs by location and depends, amongst other things, on the availability and quality of national health systems, and market practice in the country/industry. As an example, in Switzerland, all residents are required by law to take out private health insurance. Here, we provide employees with access to a collective insurance contract which they may use to take out the required insurance and also purchase supplementary insurance with some discounts. In addition, we provide supplementary accident coverage over what is required by law.

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	<b>Skills for the future</b>	<b>Training provided</b>	<p><b>Average hours of training per person</b>            AR 175 section 6.1.2 of the ISD: Training and development</p> <p><b>Average training expenditure per full time employee</b>            AR 175 section 6.1.2 of the ISD: Training and development</p>
	<b>Employment and wealth generation</b>	<b>Absolute number and rate of employment</b>	<p><b>Total number and rate of new employee hires</b>            AR 174 section 6.1.1 of the ISD: Talent attraction and retention</p> <p><b>Total number and rate of employee turnover</b>            AR 173 section 6.1.1 of the ISD: Talent attraction and retention</p>
		<b>Economic contribution</b>	<p><b>Direct economic value</b>            Refer to consolidated income statements            Note: Community investment is disclosed separately, please refer to AR 131 section 2.3.4 of the ISD: Community investment</p> <p><b>Financial assistance received from governments</b>            Zurich did not receive any significant financial assistance from governments in 2021, such as tax breaks, subsidies or investment grants.</p>
		<b>Financial investment contribution</b>	<p><b>Total Capital Expenditures</b>            AR 262 to 264 and 280 to 281 in the Financial statements, note 6: Group investments, note 13.2: Property and equipment – current period, and note 13.3: Property and equipment – prior period</p> <p><b>Share buybacks plus dividend payments</b>            AR 293 to 295 in the Financial statements, note 19: Shareholders' equity, dividends and earnings per share</p>
	<b>Innovation of better products and services</b>	<b>Total R&amp;D expenses</b>	<p>For the past two strategic cycles innovation, based on sound R&amp;D, has been one of our 3 strategic pillars, next to 'Focus on customers' and 'Simplification' (see A clear strategy developed by us, for all our stakeholders   Zurich Insurance)<sup>3</sup>. Consequently, Zurich has, for example, focused on digitalizing its own operations and of its access to customers. Furthermore, we continue to invest in innovative products and services and develop product offerings around ecosystems such as mobility. Please find more examples in the planet and customer section of our ISD.</p>
	<b>Community and social vitality</b>	<b>Total tax paid</b>	<p>AR 130 section 2.3.3 of the ISD: Responsible tax</p>

<sup>1</sup> [www.zurich.com/about-us/corporate-governance/code-of-conduct](http://www.zurich.com/about-us/corporate-governance/code-of-conduct)

<sup>2</sup> Reporting excludes Farmers Management employees, Covermore and BrightBox.

<sup>3</sup> [www.zurich.com/en/about-us/our-strategy](http://www.zurich.com/en/about-us/our-strategy)